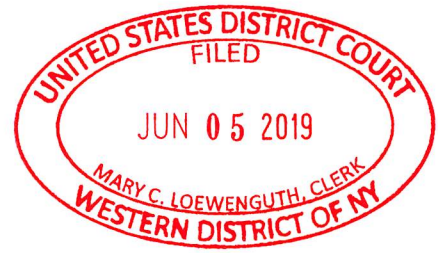


UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK



SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ROBERT C. MORGAN, MORGAN
MEZZANINE FUND MANAGER LLC, and
MORGAN ACQUISITIONS LLC,

Defendants.

**TEMPORARY
RESTRAINING ORDER**

1:19-CV-00661 EAW

For the reasons set forth in the Court's Decision and Order dated June 5, 2019, it is hereby ORDERED that Plaintiff's motion for a temporary restraining order (Dkt. 4) is granted in part and denied in part; and it is further

ORDERED that, pending a hearing and determination of Plaintiff's request for a preliminary injunction, Robert C. Morgan ("Morgan") and Morgan Mezzanine Fund Manager LLC (the "Fund Manager") (collectively "Restrained Defendants") are temporarily restrained from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]; and it is further

ORDERED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Restrained Defendants' officers, agents, servants,

employees, and attorneys; and (b) other persons in active concert or participation with Restrained Defendants or with anyone described in (a); and it is further

ORDERED that that no person or entity, including any creditor or claimant against the Notes Funds (specifically, Morgan 11% Notes Fund LLC, Morgan 11% Notes Fund QP LLC, Morgan Notes Fund II LLC, Morgan Notes Fund QP II LLC, Morgan Notes Fund III LLC, and Morgan Notes Fund QP III LLC) or the Fund Manager, or any person acting on behalf of such creditor or claimant, shall take any action to interfere with the taking control, possession, or management of the assets, including, but not limited to the filing of any lawsuits, liens or encumbrances or bankruptcy cases to impact the property and assets subject to this Order or the forthcoming order appointing a receiver; and it is further

ORDERED that on or before June 12, 2019, the parties shall submit to the Court the names and credentials of all proposed receivers and that the Court will thereafter issue a separate order appointing a receiver for the Notes Funds and Fund Manager; and it is further

ORDERED that, pending a hearing and determination of Plaintiff's request for a preliminary injunction, the Fund Manager shall file with the Court and serve upon Plaintiff, within ten (10) business days, a verified written accounting of the Fund Manager's assets, including the use of the Notes Funds' assets, and the disposition of any assets of any of the Affiliate Borrowers listed on Exhibit A attached hereto for the direct or indirect benefit of Morgan from October 1, 2013, to the present; and it is further

ORDERED that, pending a hearing and determination of Plaintiff's request for a preliminary injunction, Restrained Defendants, any person or entity acting at their direction

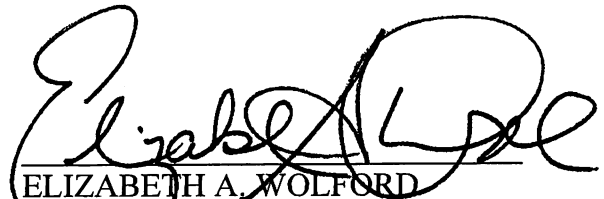
or on their behalf, and any other third party, be and hereby are enjoined and restrained from destroying, altering, or concealing any and all documents, books, and records that are in the possession, custody, or control of Restrained Defendants and each of their respective officers, agents, employees, servants, accountants, financial or brokerage institutions, or attorneys-in-fact, subsidiaries, affiliates, predecessors, successors, and related entities, that refer, reflect, or relate to the allegations in the Complaint; and it is further

ORDERED that a hearing on Plaintiff's request for a preliminary injunction is scheduled for Friday, June 28, 2019, at 9:30 AM, at the United States Courthouse, 100 State Street, Rochester, New York; and it is further

ORDERED that witness and exhibit lists for the preliminary injunction hearing as required by Local Rule of Civil Procedure 65(a)(4), as well as any further legal memoranda, shall be filed by no later than June 21, 2019; and it is further

ORDERED that this Order shall be, and is, binding upon Restrained Defendants, and each of their respective officers, agents, servants, employees, attorneys-in-fact, subsidiaries, affiliates, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile service, or otherwise.

SO ORDERED.


ELIZABETH A. WOLFORD
United States District Judge

Dated: June 5, 2019
Buffalo, New York

Exhibit A

Property/Affiliate Borrower	Notes Funds with Outstanding Portfolio Loans
103 Court Street	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
1275 Delaware Ave VES Partners LLC	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
2013 VC (Villa Capri)	Notes Fund II (AI Fund); Notes Fund III (QP Fund)
50 Front Street	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
65 Chestnut Street	Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Academy Place	
Cedar Ridge	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Center City Ithaca	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Eden Square (Cranberry Vista)	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Ellison Heights	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (QP Fund)
Emerald Springs	Notes Fund I (QP Fund); Notes Fund III (AI Fund)
Flats in Minn	Notes Fund I (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Foubu/Morgan Brownfield Tax Transaction	Notes Fund I (QP Fund)
Gates Circle - Montante Project	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Glendale Heights - Stratford Trails	Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Heritage Land	Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Highlands of Montour Run	Notes Fund I (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Hinsdale (Canal Crossing)	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)

Property/Affiliate Borrower	Notes Funds with Outstanding Portfolio Loans
Hunters Chase	Notes Fund I (QP Fund); Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
King Of Prussia	Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Lakeside Commons	Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Madison at Valley Manor (Copper Chase)	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Mercer	Notes Fund I (QP Fund)
Midtown Land	Notes Fund I (QP Fund)
Morgan Collins (Avon Phase II)	Notes Fund III (QP Fund)
Morgan Perry's Crossing	Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Overlook	Notes Fund II (AI Fund); Notes Fund II (QP Fund)
Park Towers	Notes Fund I (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Phase II of 2695 Apartments-Main Factor	Notes Fund I (QP Fund); Notes Fund II (AI Fund)
Publishers	Notes Fund III (QP Fund)
Rockford Trust Building	Notes Fund I (QP Fund); Notes Fund II (AI Fund)
Steeplechase	Notes Fund I (QP Fund); Notes Fund III (AI Fund)
The Chemical Building	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (QP Fund)
The Reserve at Southpointe II	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)
Woodland Acres	Notes Fund II (AI Fund); Notes Fund II (QP Fund); Notes Fund III (AI Fund); Notes Fund III (QP Fund)

Source: Grand Atlas Property Management, LLC, "Notes Fund Loan/Use Summary," April 6, 2019 (GA_00009875).